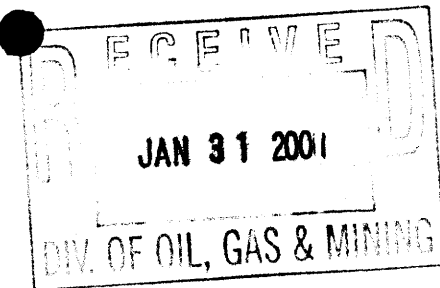


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PO Box 310
Huntington, Utah 84528



January 30, 2001

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Attention: Daron Haddock
Permit Supervisor

EXPLORATION
SITLA
INCOMING
1/15/018 EX01B

**RE: MILL FORK CANYON/JOES VALLEY SURFACE DRILLING APPLICATION;
UTAH STATE COAL LEASES ML-48258; PACIFICORP, MILL FORK
CANYON, EMERY COUNTY, UTAH**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits three (3) copies of the Mill Fork Canyon/Joes Valley - Helicopter Assisted Drilling Application. One copy of the application was directly sent to the Price Field Office.

Energy West proposes to conduct a helicopter assisted minor coal exploration surface drilling program during the 2001 field season. The project will consist of seven (7) core hole drilled in Mill Fork Canyon/Joes Valley to analyze seam characteristics and thickness. The proposed drill holes are located within the current Utah State Coal Lease ML-48258, in Sections 10, 13, 15, 22 Township 16 South, Range 6 East, and Section 18, Township 16 South, Range 7 East Salt Lake Base and Meridian. The drilling will occur on lands in which the surface is administered the United States Forest Service (U.S.F.S.) and the subsurface by the State of Utah. The proposed holes will be drilled in Mill Fork Canyon (EM-170, EM-171, EM-172, EM-173), a tributary to Huntington Canyon, and un-named drainages (EM-174, EM-175, EM-176) which report to Indian Creek in Emery County, Utah.

Recently, Energy West has successfully utilized helicopter supported drilling in and adjacent to the Mill Fork coal tract. Exploration was conducted in steep terrain in Rilda Canyon (south of Mill Fork Canyon) in remote areas where road construction was unfeasible. Energy West has strategically selected the proposed drill hole locations to minimize environmental impacts and to maximize geologic data. As outlined in the drilling application, no site preparation is necessary, i.e., construction of roads or drill pad. Energy West goes to great extent to minimize environmental impacts, that include; drilling technique, site selection, protecting existing vegetation with a protective cover, artificially leveling of the drill site and area restoration.

Huntington Office:
(435) 687-9821

Fax (435) 687-2695

Purchasing Fax (435) 687-9092

Deer Creek Mine:

(435) 687-2317

Fax (435) 687-2285

Trail Mountain Mine:

(435) 748-2140

Fax (435) 748-5125

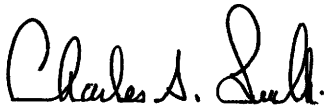
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Mill Fork Drill Application
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To eliminate potential conflicts with raptors in Mill Fork Canyon, Energy West proposes to commence drilling operations after the July 15 raptor nesting season deadline. Based upon the 2000 raptor survey completed with Division of Wildlife Resources, the proposed activity is located within the ½ mile buffer zone of the nest 78 located in Mill Fork Canyon. As documented in the 2000 survey, nest 78 was tended (refer to Drilling Application for additional information). Raptor activity in Mill Fork Canyon will be evaluated during the 2001 survey scheduled for May, 2001.

If you require any additional information please call me at (435)687-4720.

Thank you for your assistance in this matter.

Sincerely,



Charles A. Semborski
Geology/Permitting Supervisor

Enclosures (3 copies)

cc: Steve Demczak, (DOGM-Price Office) ✓
File